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FM THE SITUATION ROOM//TOHAK 09//

TO BARBIAN FOR THE SECRETARY

UNCLAS VIA BLACK PATCH WH51794

TOHAK 09

SEPTEMBER 6, 1975

MEMORANDUM FOR SECRETARY KISSINGER
FROM: THE SITUATION ROOM
SUBJECT: MORNING NEWS SUMMARY

THE WASHINGTON POST

HOBART ROWEN SAYS THAT A NOTE OF CAUTIOUS OPTIMISM THAT THE OIL CARTEL WOULD NOT RAISE PRICES AGAIN THIS MONTH WAS EXPRESSED YESTERDAY BY THE IMF MANAGING DIRECTOR H. JOHANNES WITTEVEEN AS THE ANNUAL IMF-WORLD BANK SESSIONS CAME TO THE END OF WHAT HE DESCRIBED AS "A PRODUCTIVE WEEK." WITTEVEEN TOLD REPORTERS THAT HE HAD NEITHER ASKED FOR NOR RECEIVED SPECIFIC ASSURANCES ON PRICES. THERE WAS GENERAL AGREEMENT THAT THE LESS-DEVELOPED COUNTRIES, ALTHOUGH NOT TOTALLY SATISFIED WITH NEW PROMISES OF AID, WERE IMPRESSED BY THE EFFORT -- BOTH HERE AND AT THE UN IN NEW YORK -- TO MEET SOME OF THEIR DEMANDS. (A-2)

YOU ARE SHOWN ON PAGE 12 DURING CONVERSATION WITH AMBASSADOR MOYNIHAN.

ACCORDING TO NEWS DISPATCHES, THE THREE ISRAELI LEADERS WHO NEGOTIATED THE NEWLY SIGNED INTERIM AGREEMENT WITH EGYPT EXPRESSED DOUBT IN PRESS INTERVIEWS YESTERDAY THAT THE SAME TYPE OF ACCORD COULD BE REACHED WITH SYRIA. (A-12)

IN A SPECIAL TO THE POST, YOU SAID YESTERDAY THAT YOU EXPECT TO DEFUSE SOVIET OBJECTIONS TO THE EGYPT-ISRAEL DIS-ENGAGEMENT AGREEMENT AND THE U.S. ROLE IN MONITORING THE SINAI PASSES WHEN YOU MEET WITH GROMYKO IN TWO WEEKS. (A-12)

***** WHSR COMMENT *****

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SPENCER RICH REPORTS THAT THE WHITE HOUSE SENT TO CAPITOL HILL YESTERDAY FOR CONGRESSIONAL ENDORSEMENT A DRAFT RESOLUTION APPROVING THE USE OF 200 U.S. TECHNICIANS TO MONITOR THE SINAI PEACE LINE. (A-12)

WILLIAM J. DRUMMOND WRITES THAT SECRET ISRAELI-AMERICAN UNDERSTANDINGS UNDERLYING THE SINAI PEACE AGREEMENT GIVE THE ISRAELIS THE OPTION ON WHICH STEP TO TAKE NEXT IN MIDDLE EAST NEGOTIATIONS, (A-12)

BERNARD NOSSITER REPORTS THAT PRIME MINISTER HAROLD WILSON YESTERDAY ACCUSED THE SOVIET UNION OF POURING IN FOUR MILLION POUNDS A MONTH -- ABOUT \$100 MILLION A YEAR -- TO PORTUGAL'S COMMUNIST PARTY, YOU SAID THAT A REPORTED ESTIMATE OF \$10 MILLION A MONTH, CLOSE TO WILSON'S FIGURE, "SEEMS HIGH." (A-13)

DAVID VAN PRAAGH WRITES THAT THAILAND IS GOING AHEAD WITH A SHAKY EXPERIMENT IN DEMOCRATIC GOVERNMENT JUST WHEN COMMUNIST FORCES HAVE TAKEN CONTROL OF NEIGHBORING LAOS AND CAMBODIA AND NORTH VIETNAM IS THREATENING TO SUPPORT COMMUNIST-LED THAI INSURGENTS. BUT A CLOSER LOOK AT TRENDS IN RECENT THAI HISTORY -- AND AT HOW THE THAI LEADERSHIP IS TACKLING ITS CURRENT PROBLEMS -- INSPIRES MORE CONFIDENCE. IT IS VIRTUALLY UNDISPUTED IN BANGKOK AND ELSEWHERE IN ASIA THAT THE NEXT YEAR OR TWO WILL BE CRITICAL FOR THAILAND'S FUTURE, AND THAT THAILAND'S FUTURE HAS BECOME CRUCIAL NOT ONLY IN SOUTHEAST ASIA BUT IN THE BROADER ASAN SCENE. IF THAILAND DOES EVENTUALLY FALL LIKE A DOMINO TO A CRESTING COMMUNIST WAVE, THE NATIONS BEYOND -- MALAYSIA FIRST, THEN SINGAPORE, AND EVEN THE HUGE PRIZE OF INDONESIA -- WOULD BE WIDELY EXPECTED TO FALL MORE QUICKLY. (A-14)

THERE WERE NO SIGNIFICANT ITEMS ON FOREIGN AFFAIRS IN THE WASHINGTON STAR TODAY.

THE NEW YORK TIMES

HENRY GINIGER CONTENTS THAT WITH GENERAL GONCALVES STRIPPED OF ALL AUTHORITY LAST NIGHT, THE WAY APPEARS OPEN FOR THE FORMATION OF A BROADLY BASED CABINET, WHICH THE PREMIER-DESIGNATE, VICE ADMIRAL PINHEIRO DE AZEVEDO, HAS BEEN TRYING TO NEGOTIATE OVER THE LAST WEEK. (1)

ACCORDING TO HENRY KAMM, PREMIER RABIN DECLARED THAT THERE WAS "VIRTUALLY NO CHANCE" FOR AN INTERIM AGREEMENT WITH SYRIA AND INDICATED THAT THERE WAS A DIFFERENCE OF OPINION ON THAT ISSUE WITH THE U.S. (1)

ROBERT SEMPLE REPORTS THAT SOCIALIST LEADERS FROM FIVE

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EUROPEAN DEMOCRACIES MET YESTERDAY AND, IN TONES OF BOTH FRUSTRATION AND HOPE, PLEDGED FINANCIAL AND MORAL SUPPORT TO THE CAUSE OF "DEMOCRACY AND SOCIALISM" IN PORTUGAL. THE NEW CHAIRMAN OF THE GROUP, WILLY BRANDT, READ A STATEMENT COMMITTING THE GROUP TO A PROGRAM OF "FRIENDSHIP AND SOLIDARITY" WITH PORTUGUESE SOCIALISTS BUT RULING OUT INTERFERENCE IN PORTUGAL'S INTERNAL AFFAIRS. (2)

AGENCE FRANCE-PRESSE SAYS THAT PRINCE SOUVANNA PHOUMA PLANS TO RETIRE FROM POLITICS AFTER GENERAL ELECTIONS FOR A NEW LAOTIAN NATIONAL ASSEMBLY ARE HELD NEXT APRIL. IT IS BELIEVED THAT THE PREMIER WILL MOST PROBABLY HAND OVER POWER TO HIS HALF-BROTHER, PRINCE SOUPHANOUVONG. (3)

CHRISTOPHER WREN FINDS THAT WHILE MAINTAINING A CONSPICUOUS OFFICIAL SILENCE ON THE CONCLUSION OF A NEW DISENGAGEMENT AGREEMENT BETWEEN EGYPT AND ISRAEL, THE SOVIET UNION HAS MADE CLEAR ITS UNHAPPINESS OVER THE COURSE OF EVENTS IN THE MIDDLE EAST. ONE ARAB DIPLOMATIC SPECIALIST SAID HE DID NOT ANTICIPATE ANY BREAKDOWN IN RELATIONS BETWEEN MOSCOW AND CAIRO, NOTING THAT THE SOVIET UNION ENJOYED A RESIDUE OF GOODWILL CREATED BY THE SOVIET INFUSIONS OF TECHNICAL ASSISTANCE IN WARMER DAYS. (6)

JAMES MARKHAM SAYS THAT WITH PRESIDENT SADAT OPENLY INVITING AN AMERICAN ROLE IN EGYPT AND ATTACKING THE RUSSIANS FOR "SPLITTING THE ARAB RANKS," THE SOVIET UNION'S POSITION IN THE MIDDLE EAST APPEARS TO HAVE FALLEN TO A NEW LOW POINT. THE SINAI DISENGAGEMENT ACCORD ARRANGED BY YOU IS A WATERSHED IN THE SOVIET-AMERICAN STRUGGLE FOR INFLUENCE IN THE MIDDLE EAST, ACCORDING TO FOREIGN AND ARAB INFORMANTS IN A NUMBER OF CAPITALS. (6)

THE LEAD EDITORIAL IS ENTITLED "A ROUND FOR FREEDOM." IT SAYS THAT IN PORTUGAL THE ARMED FORCES MOVEMENT HAS GIVEN FREEDOM ANOTHER CHANCE -- A CHANCE THAT MIGHT HAVE COME MONTHS AGO HAD IT NOT BEEN FOR THE PROCRASTINATION OF THE PRESIDENT. THE COMMUNIST TIDE HAS BEEN DECISIVELY HALTED AND ONLY SERIOUS DIVISIONS IN THE RANKS OF THE OFFICERS AND MEN WHO BROUGHT ABOUT THIS RESULT COULD GIVE GENERAL GONCALVES AND HIS CHAMPIONS A CHANCE TO RECOUP. THESE MILITARY LEADERS WOULD BE WELL ADVISED AT THIS MOMENT TO TURN FOR ADVICE AND COOPERATION TO THE SOCIALIST AND POPULAR DEMOCRATIC PARTIES. SUCH COOPERATION WOULD BE THE BEST INSURANCE AGAINST A RESURGENCE OF COMMUNISM AND THE BEST GUARANTEE OF THE PEACEFUL EVOLUTION OF LONG-SUFFERING PORTUGAL TOWARD FREEDOM, DEMOCRACY, AND SOLIDARITY WITH THE WESTERN WORLD. (18)

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ANOTHER EDITORIAL STATES THAT WITH HIS FIRST ACTS AS PRESIDENT OF PERU, GENERAL MORALES BERMUDEZ HAS ENHANCED HIS REPUTATION AS AN OFFICER OF MODERATION AND COMMON SENSE. HIS GOVERNMENT HAS ISSUED A DECREE ALLOWING ALL DEPORTED POLITICAL LEADERS AND JOURNALISTS TO RETURN HOME FROM EXILE AND PERMITTING ALL PUBLICATIONS CLOSED BY FORMER PRESIDENT VELASCO TO RESUME OPERATIONS. THE NEW PRESIDENT HAS GONE OUTSIDE THE MILITARY FOR THE FIRST TIME SINCE THE ARMED FORCES ASSUMED POWER IN HIS SELECTION OF A CIVILIAN BANKER TO BE MINISTER OF ECONOMY AND FINANCE. IF THIS PROVES A FIRST STEP IN GIVING THE GOVERNMENT MORE OF A CIVILIAN CAST, IT WILL BE AS WELCOME TO MOST PERUVIANS AS THE RETURN OF THE EXILES. (18)

THE BALTIMORE SUN

HENRY TREWHITT REVEALS THAT, WITH CONGRESSIONAL SUPPORT APPARENTLY ASSURED, THE ADMINISTRATION IS PLANNING TO RECRUIT CIVILIAN MONITORS FOR THE MIDDLE EAST FROM PRIVATE INDUSTRY AND THE RANKS OF RETIRED GOVERNMENT SPECIALISTS, INFORMED OFFICIALS REPORTED YESTERDAY. (A-1)

THE KREMLIN HAS COMPLAINED ABOUT THE PROVISION IN THE EGYPTIAN-ISRAELI ACCORD THAT WOULD PLACE ABOUT 200 AMERICAN CIVILIAN TECHNICIANS IN THE SINAI DESERT, BUT YESTERDAY YOU PREDICTED YOU WOULD BE ABLE TO PERSUADE MOSCOW TO DROP ITS OBJECTIONS. (A-7)

GILBERT LENTHWAITE REPORTS THAT FRANCE'S NEW \$7 BILLION BOOST TO ITS ECONOMY WAS WELCOMED WIDELY ABROAD AND ANALYZED CLOSELY AT HOME YESTERDAY. THE NATION'S MAJOR TRADING PARTNER, WEST GERMANY, WITH WHOM THE STRATEGY WAS COORDINATED CAREFULLY, HAILED THE PROGRAM AS PROOF OF SUCCESSFUL INTERNATIONAL COOPERATION AND THE EEC'S PERMANENT OFFICE EQUALLY WAS GLAD. BUT DOMESTICALLY THE MEASURE PROVOKED VARYING REACTIONS. EMPLOYERS GENERALLY WELCOMED IT AS A STEP, ALBEIT BELATED, IN THE RIGHT DIRECTION, WHILE UNIONS REJECTED THE PROGRAM AS INADEQUATE. (A-8)

THE SUN COMMENTS ON THE TWO-SIDED AMERICAN DIPLOMACY TOWARD KOREA. WHILE YOU HAVE DOMINATED THE NEWS WITH YOUR MIDDLE EAST SHUTTLE DIPLOMACY, SECRETARY OF DEFENSE SCHLESINGER, TOO, WAS ON A MISSION TO ONE OF THE WORLD'S BEST-KNOWN BATTLEFIELDS. HE SAID THAT THE 42,000-MEMBER U.S. FORCE IN SOUTH KOREA MAY BE SUBSTANTIALLY REDUCED IN FIVE YEARS AS THE AMERICAN-AIDED MODERNIZATION OF SOUTH KOREAN TROOPS IS COMPLETED. BUT HE ADDED THAT SOME U.S. MILITARY PRESENCE WILL HAVE TO REMAIN BECAUSE OF THE "LARGER GEOPOLITICAL CONTEXT." WASHINGTON MUST CONVINCE SEOUL -- AND TOKYO, WHERE

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MR. SCHLESINGER HAS STOPPED -- THAT AMERICA'S WRITTEN SECURITY AGREEMENTS WITH SOUTH KOREA ARE VALID, WHATEVER CONTRARY VIBRATIONS MAY SEEM TO COME FROM AMERICAN OPINION POLLS. AND IT MUST CONVINCE MR. PAK THAT AMERICAN OPINION WILL NOT INDEFINITELY SUPPORT LARGE TROOP COMMITMENTS IN KOREA, WHATEVER MAY BE THE CONTRARY IMPLICATIONS OF THE AGREEMENTS.

(A-14)

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